

Message Text

UNCLASSIFIED

PAGE 01 IAEA V 03952 01 OF 03 111847 Z

43

ACTION IO-13

INFO OCT-01 ADP-00 ACDA-19 CIAE-00 INR-10 L-03 NSAE-00

NSC-10 RSC-01 SCI-06 GAC-01 SCEM-02 ABF-01 OMB-01

TRSE-00 AF-10 ARA-11 EA-11 EUR-25 NEA-10 RSR-01 /136 W

----- 038446

R 111645 Z MAY 73

FM USMISSION IAEA VIENNA

TO SECSTATE WASHDC 2844

INFO AEC GERMANTOWN

UNCLAS SECTION 1 OF 3 IAEA VIENNA 3952

E. O. 11652: N/A

TAGS: AORG AFIN IAEA

SUBJECT: IAEA A&B COMMITTEE - 1974 TARGET FOR VOLUNTARY
CONTRIBUTIONS

REF: A. STATE 83988

B. STATE 84203

1. SUMMARY; LENGTHY DISCUSSION OF TARGET FOR 1974, SPREAD
OVER TWO AFTERNOON SESSIONS, RESULTED IN COMMITTEE REPORT THAT
SEVER PRT SEVEN (DEVELOPING COUNTRY) MEMBERS OF COMMITTEE
EXPRESSED VIEW THAT RAISING TARGET WAS INDISPENSIBLE (BUT NOT
RPT NOT SPECIFICALLY PROPOSING INCREASE IN DG SUGGESTED TARGET
OF \$3- MILLION), AND REPEATING DG VIEW IN INTRODUCTION TO
BUDGET THAT QTE CASE FOR RAISING THE TARGET IN 1974 IS THEREFORE
EVIDENT. UNQTE. END SUMMARY.

2. IN OPENING STATEMENT, DG ESSENTIALLY REPEATED PARA A.9 OF
GOV/1588; CONSIDERING INFLATION AND IMPACT OF CURRENCY FLUCTU-
ATIONS ON DELIVERY OF TA, AGENCY PROGRAM WAS STATIC AT BEST
IF NOT DECLINING IN REAL TERMS. ON OTHER HAND, HE NOTED UNDER-
STANDING OF GOVERNORS THAT TARGET SHOULD REMAIN UNCHANGED UNTIL
1974 AND UNDER CIRCUMSTANCES URGED ALL MEMBERS TO CONTRIBUTE
TOWARD TARGET AT MORE THAN ASSESSED SHARE NEXT YEAR.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 IAEA V 03952 01 OF 03 111847 Z

3. BRAZILIAN REP KEYNOTED CO- ORDINATED LDC ATTACK ON LEVEL OF TARGET. ALLUDING TO PROBLEM OF CURRENCY FLUCTUATION IN 1973 AND 1974 REGULAR BUDGETS, HE EXPRESSED QTE SHARP DISAGREEMENT UNQTE WITH MEMBERS WISHING RESOLVE THIS PROBLEM WITHOUT CONSIDERING LEVEL OF TARGET. HE REFERRED EXTENSIVELY TO BOV/1474 OF MAY 1971, WHICH DISCUSSED INCREASE IN TARGET FROM \$2.5- TO \$3- MILLION; HE FELT THAT AGENCY TA PROGRAM NOW, IN VIEW INFLATION AND CURRENCY SITUATION AT LOWEST REAL LEVEL EVER. DEVELOPED COUNTRIES, ALTHOUGH MAKING VOLUNTARY ASSISTANCE AVAILABLE, FOUGHT INCREASE IN TARGET TO AVOID PUBLIC IMPLICATION, IF THEY MADE CASH CONTRIBUTIONS AT LESS THAN ASSESSED SHARE, THAT THEY LESS THAN GENEROUS. WITH REGARD TO QTE GENTLEMEN' S AGREEMENT UNQTE OF JUNE 1971, HE ARGUED THAT INTERNATIONAL LAW SANCTIONS GOING BACK ON PREVIOUS AGREEMENTS IN LIGHT CHANGE IN CIRCUMSTANCES. HE DISMISSED THIS AGREEMENT AS NOW NO LONGER BINDING AND NOT WORTH FURTHER DISCUSSION. HE COULD NOT SUBSCRIBE TO IDEA THAT ANY AGENCY PROGRAM IN OR RELATING TO LDC' S WAS TA. LDC' S HAD BEEN TALKING LONG TIME OF RAISING TARGET, AND HE HAD IN MIND TARGET OF \$5- MILLION (COMMENT: THIS WAS ONLY OCCASION WHEN A SPECIFIC FIGURE WAS MENTIONED AND NO RPT NO ONE FOLLOWED UP SUGGESTION TO DISCUSS IT, WHETHER FOR OR AGAINST. END COMMENT); THIS WAS BASIS FOR NEGOTIATION, AND SEVEN LDC REPS ON COMMITTEE CAME TO CO- OPERATE IN SEEKING EQUITABLE AND ACCEPTABLE RESOLUTION OF PROBLEM.

3. ALL LDC MEMBERS OF COMMITTEE FOLLOWED WITH SIMILAR ARGUMENTS FOR INCREASE IN TARGET. ARGENTINA, EGYPT AND ZAIRE CONFINED THEMSELVES TO BRIEF (ONE SENTENCE, IN CASE OF EGYPT) ENDORSEMENT OF OTHER LDC VIEWS. BRAZIL, COLOMBIA, INDIA AND INDONESIA INTERVENED REPEATEDLY. FOLLOWING GENERAL LINES OF ARGUMENT EMERGED:

A. LINKAGE WITH REGULAR BUDGET MEASURES ON CURRENCY FLUCTUATION: ALL MENTIONED WITH VARYING EMPHASIS. INDONESIAN STATED HE DOUBTED HIS GOVERNMENT PREPARED SUPPORT REGULAR BUDGET MEASURES IN ABSENCE INCREASE IN TARGET. MOST LDC' S ADMITTED NECESSITY FOR SOME RESPONSIBLE ACTION ON THIS PROBLEM, ALTHOUGH ARGUING TARGET INCREASE SHOULD HAVE EQUAL PRIORITY, AND ONLY ZAIRE AND EGYPT AVOIDED EXPLICITLY REFERRING TO THIS LINKAGE IN INTERVENTIONS. BRAZIL ASKED TO BE SHOWN ABSTAINING FROM RECOMMENDATION OF 1973 SUPPLEMENTAL AND INDONESIA STATED IT QTE NOT IN A POSITION TO SUPPORT AT THIS

UNCLASSIFIED

PAGE 03 IAEA V 03952 01 OF 03 111847 Z

TIME UNQTE. ON ADDITIONAL APPROPRIATION FOR 1974, SAME TWO PLUS COLOMBIA AND INDIA ASKED TO BE SHOWN NOT SUPPORTING. COMMITTEE REPORT ON BOTH THESE POINTS TO REFER, AT REQUEST OF BRAZIL, TO QTE MAJORITY OF COMMITTEE UNQTE RATHER THAN COMMITTEE CONSENSUS, AS HAS BEEN CUSTOMARY IN PAST.

B. GENTLEMEN' S AGREEMENT: ALL LDC SPEAKERS ENDORSED BRAZIL VIEW OF THIS AGREEMENT AS UNWORTHY OF FURTHER CONSIDERATION

IN LIGHT SUBSTANTIAL CHANGE IN CIRCUMSTANCES, I. E., UNFORESEEN
DEVALUATION OF US DOLLAR.

C. DIMINISHING VALUE OF TA FUNDS: ALL MADE SPECIFIC REFERENCE
TO CURRENCY FLUCTUATION AND INFLATION, ALONG LINES REMARKS
OF DG IN INTRODUCTION TO BUDGET AND BOV/1474. THEIR DISCUSSION
PRIMARILY ON VALUE OF TARGET FIGURE, RATHER THAN SPEAKING TO
DONOR POINT THAT LEVEL OF PLEDGES AND SIZE OF GIFTS IN KIND
WAS MORE SIGNIFICANT IN TERMS OF

UNCLASSIFIED
NMAFVVZCZ

ADP000
UNCLASSIFIED

PAGE 01 IAEA V 03952 02 OF 03 112017 Z

72
ACTION IO-13

INFO OCT-01 ADP-00 ACDA-19 CIAE-00 INR-10 L-03 NSAE-00

NSC-10 RSC-01 SCI-06 GAC-01 SCEM-02 ABF-01 OMB-01

TRSE-00 AF-10 ARA-11 EA-11 EUR-25 NEA-10 RSR-01 /136 W
----- 039378

R 111645 Z MAY 73
FM USMISSION IAEA VIENNA
TO SECSTATE WASHDC 2845
INFO AEC GERMANTOWN

UNCLAS SECTION 2 OF 3 IAEA VIENNA 3952

DELIVERED PROGRAM.

D. ADDED DEMANDS ON AGENCY PROGRAM: LA'S MADE SPECIFIC
REFERENCE TO NUMBER OF JUSTIFIED REQUESTS FOR TA REJECTED BY
AGENCY DUE TO LACK OF FUNDS, NOTING ESPECIALLY THAT AGENCY
PROGRAM FREQUENTLY SERVED TO PRIME PUMP FOR LATER AND LARGER
UNDP FUNDING IN CERTAIN AREAS AND THAT UNDP COULD NOT RPT NOT
BE ACCEPTABLE SUBSTITUTE FOR AGENCY REGULAR TA PROGRAM.

E. BALANCE WITH SAFEGUARDS PROGRAM: ARGUMENT WAS RAISED
BY ALL, MOST SPECIFICALLY BY INDIA AND INDONESIA; LATTER STATED
IT UNDERSTOOD THAT SOME DEVELOPED COUNTRIES SAW SAFEGUARDS
AS ESSENTIAL, AND LDC'S ASKED ONLY THAT THEIR VIEW OF TA AS
ESSENTIAL TO THEM RECEIVE EQUAL CONSIDERATION. ASIDE FROM
REFERENCES TO STEADY GROWTH OF SAFEGUARDS EXPENSES, ESPECIALLY
IN WAKE OF NPT AND EURATOM AGREEMENT, THEIR DISCUSSION DID NOT
BECOME SPECIFIC ON THIS POINT.

F. NATURE OF TA: INDIA SPECIFICALLY REBUTTED POINT THAT
MOST AGENCY PROGRAMS BENEFITTED LDC'S TO LARGE EXTENT AND SOME
FUNDED FROM REGULAR BUDGET (E.&., JOINT DIVISION, TRIESTE)
WERE ALMOST EXCLUSIVELY OF INTEREST TO LDC'S, BY CITING 1949
ECOSOC RES DEFINING TA AND POINTING OUT THAT TO BE CONSIDERED

TA, ASSISTANCE MUST FIRST BE SPECIFICALLY SOUGHT BY RECIPIENT AND THEN GRANTED. BULK OF AGENCY PROGRAMS FAILED TO FALL IN THIS CATEGORY. HE DID FINALLY ADMIT THAT CONTRIBUTIONS IN KIND AND CERTAIN SPECIAL ACCOUNTS (E. G., SIDA GRANTS) COULD BE CONSIDERED COMPONENTS OF AGENCY TA PROGRAM, BUT REFUSED TO ACCEPT

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 IAEA V 03952 02 OF 03 112017 Z

PREMISE THAT PROGRAMS IN REGULAR BUDGET CONSTITUTED TA IN BROAD SENSE.

4. IN ADDITION TO PROPOSALS FOR RAISING TARGET, INDONESIA DISCUSSED FUNDING TA PROGRAM FROM REGULAR BUDGET, CALLING THIS ESSENTIAL STEP TO MAINTAIN GROWTH OF TA ON EQUAL FOOTING WITH OTHER REGULAR BUDGET ACTIVITIES, INCLUDING SAFEGUARDS. APPROVAL BY GC OF REGULAR BUDGET ASSURED IMPLEMENTATION OF PROGRAMS IN IT, WHILE APPROVAL BY BOARD OF ANNUAL TA PROGRAM MEANT ONLY THAT IT WOULD BE IMPLEMENTED IF RESOURCES COULD BE FOUND TO DO SO. CALLING THIS MATTER OF PRINCIPLE, HE PROPOSED THAT BOARD CONSIDER APPROPRIATE STATUTE AMENDMENT. HE REALIZED MEMBERS NOT INSTRUCTED AND NEED TO CONSULT GOVERNMENTS, AND ASKED

FURTHER DISCUSSION AT BOARD IN JUNE. IDEA RECEIVED PRO- FORMA ENDORSEMENT FOR RECORD FROM SOME OTHER MAIN LDC SPEAKERS, BUT DEVELOPED NO SERIOUS SUPPORT.

5. COLOMBIA COLLED ATTENTION TO FACT THAT RULES FOR PROVISION OF TA BY AGENCY WERE APPROVED BY GC IN 1960 (GC(IV)/113) AND NOT UPDATED SINCE. CALLING FOR GREATER FLEXIBILITY IN PROGRAM IMPLEMENTATION, HE SUGGESTED THAT NEW PROJECTS PROPOSED BY RECIPIENT COUNTRY AS REPLACEMENTS FOR APPROVED PROJECTS REQUIRE APPROVAL BY DG, RATHER THAN BY BOARD AS AT PRESENT. HE RECEIVED STRONG SUPPORT FROM BRAZIL, WHICH MADE FORMAL REQUEST THAT DG PREPARE STUDY PRIOR TO JUNE BOARD OF POSSIBLE REVISION OF RULES GOVERNING TA.

6. IN ADDITION, AFTER MAKING EXTENSIVE REFERENCE TO GOV/1474, BRAZIL REQUESTED DG TO PREPARE UPDATED SIMILAR DOCUMENT FOR PRESENTATION PRIOR TO JUNE BOARD. DOCUMENT SHOULD PRESENT CASE FOR INCREASE IN TARGET FOR VOLUNTARY CONTRIBUTIONS FULLY ALONG LINES 1971 DOCUMENT, EVEN THOUGH COMMITTEE COULD REACH NO CONSENSUS THAT TARGET SHOULD BE INCREASED.

7. MOST DEVELOPED MEMBERS OF COMMITTEE SPOKE IN REPLY AT SMOE POINT DURING MEETING, SEVERAL MORE THAN ONCE. US AND FRG STRESSED THAT PLEDGES ACTUALLY MADE COUNTED FOR MORE THAN TARGET, THAT CONTRIBUTIONS IN KIND WERE SUBSTANTIAL PART OF TA PROGRAM NOT BEING DISCUSSED BY LDC' S, THAT LARGE SHARE OF AGENCY REGULAR PROGRAM WAS IN SUPPORT OF DEVELOPING COUNTRIES, AND THAT THERE NO REALISTIC POSSIBILITY THAT TARGET WOULD BE

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 IAEA V 03952 02 OF 03 112017 Z

INCREASED IN 1974. UK AND SOUTH AFRICA SAID THEIR GOVERNMENTS
FELT THAT THEY HAD A GENTLEMEN'S AGREEMENT, REGARDLESS OF WHAT
LDC'S MIGHT FEEL ABOUT CHANGED CIRCUMSTANCES, AND WOULD FIND
INCREASE IN TARGET IN VIOLATION THAT AGREEMENT UNACCEPTABLE.
AUSTRALIA PLEDGED FULL ASSESSED SHARE OF TARGET FOR 1973
(\$42,300), AND INDICATED IT EXPECTED TO DO SAME IN 1974 BASED
ON QTE FIRM EXPECTATION UNQTE AT HOME THAT TARGET FOR 1974
WOUL
E E E E E E E

ADP000
UNCLASSIFIED

PAGE 01 IAEA V 03952 03 OF 03 111945 Z

72
ACTION IO-13

INFO OCT-01 ADP-00 ACDA-19 CIAE-00 INR-10 L-03 NSAE-00

NSC-10 RSC-01 SCI-06 GAC-01 SCEM-02 ABF-01 OMB-01

TRSE-00 AF-10 ARA-11 EA-11 EUR-25 NEA-10 RSR-01 /136 W
----- 038972

R 111645 Z MAY 73
FM USMISSION IAEA VIENNA
TO SECSTATE WASHDC 2846
INFO AEC GERMANTOWN

UNCLAS SECTION 3 OF 3 IAEA VIENNA 3952

PRESSURES ON COSTS OF EXPERTS, FELLOWSHIPS AND EQUIPMENT.
HE THEN SKILLFULLY TURNED THRUST OF HIS REMARKS AWAY FROM TARGET
AND ONTO CONTRIBUTIONS IN KIND. LDC'S WERE ON VERGE OF BREAK-
THROUGH IN APPLICATIONS OF NUCLEAR TECHNOLOGY, AND TRAINING,
ESPECIALLY IN FIELDS RELATING TO INTRODUCTION OF NUCLEAR POWER,
WAS VITAL; HE THEN POINTED TO ACTUAL DECLINE IN NUMBER OF
FELLOWSHIPS AGENCY HAD AVAILABLE. TYPE II FELLOWSHIPS WERE
AGENCY'S GREATEST CURRENT SHORTAGE AND HE PREPARED, HE SAID,
TO QTE PLEAD FOR UNQTE ADDITIONAL IN- KIND CONTRIBUTIONS FOR WHICH
DG APPEALED, ESPECIALLY IN FORM OF FELLOWSHIPS.

9. IN SUMMATION OF DISCUSSION, CHAIRMAN NOTED THAT MANY MEMBERS
GREATLY REGRETTED IT IMPRACTICAL TO RAISE TARGET BUT FELT
THAT COMMITTEE ENCOURAGED BY VIEW THAT HIGHT TARGET IN 1975
WAS REASONALBE GOAL WHICH MORE THAN ONE DONOR PREPARED TO
WORK TOWARD. ON OTHER HAND, SOME MEMBERS FELT INCREASE IN TARGET
INDISPENSABLE. HE OBSERVED NO CONSENSUS AND ASKED IF COMMITTEE
PREPARED SUGGEST CONSENSUS STATEMENT OR REFER ISSUE TO JUNE
BOARD UNRESOLVED. US SUGGESTED THAT WE COULD ACCEPT CONSENSUS

BASED ON UNCHANGED TARGET FOR 1974, WITH COMMITTEE TO URGE MEMBERS TO SUPPORT DG APPEAL FOR ADDITIONAL CONTRIBUTIONS IN CASH OR IN KIND AND AGREE TO A REVIEW OF THE LEVEL OF THE TARGET FOR 1975 DURING 1974. (FYI: BASED ON INSTRUCTIONS REF A, WE PREPARED CHANGE " REVIEW" TO " INCREASE" TO GET CONSENSUS ON POINT, BUT LDC' S TOTALLY FAILED TO RESPOND, END FYI).

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 IAEA V 03952 03 OF 03 111945 Z

BRAZIL ASKED THAT REPORT SHOW THAT QTE SEVEN UNQTE VICE " SOME" FELT INCREASE INDISPENSABLE. INDIA SUGGESTED THAT SUMMATION BE BASED ON FINAL TWO SENTENCES OF DG' S STATEMENT IN PARA A.9 OF BUDGET. INDONESIA AGREED, PROPOSING THAT RECORD SHOW SEVEN MEMBERS WISHED INCREASE, BUT THAT AS AGREEMENT NOT POSSIBLE FOR TIME BEING, REPORT ON LEVEL OF TARGET SHOULD BE BASED ON PROPOSAL BY DG. (COMMENT: IT NOT CLEAR WHETHER HE MEANT PARA A.9 OF INTRODUCTION OR PROPOSED \$3- MILLION FIGURE IN TARGET RES, BUT PROBABLY THE FORMER. END COMMENT.) BRAZIL INQUIRED WHETHER ITS REQUEST (PARA 6 ABOVE) AND COLOMBIA' S (PARA 5) FOR DOCUMENT S PRIOR TO JUNE BOARD WOULD APPEAR IN REPORT AND BE MET BY DG. DG SIGNIFIED THAT THEY WOULD, AND UK STATED THAT ALTHOUGH UK INSTRUCTED OPPOSE INCREASE IN TARGET, HE SAW NO REASON WHY CASE FOR INCREASE COULD NOT BE PRESENTED TO BOARD FOR INFORMATION. PORTER

UNCLASSIFIED

NMAFVVZCZ

*** Current Handling Restrictions *** n/a

*** Current Classification *** UNCLASSIFIED

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 11 MAY 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973IAEAV03952
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: n/a
Errors: n/a
Film Number: n/a
From: IAEA VIENNA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730542/aaaaixfi.tel
Line Count: 305
Locator: TEXT ON-LINE
Office: ACTION IO
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: A.STATE 83988, B.STATE 84203
Review Action: RELEASED, APPROVED
Review Authority: boyleja
Review Comment: n/a
Review Content Flags:
Review Date: 10 OCT 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <10-Oct-2001 by kuehnbc0>; APPROVED <27 FEB 2002 by boyleja>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> mcm 980202
Subject: IAEA A& B COMMITTEE - 1974 TARGET FOR VOLUNTARY CONTRIBUTIONS
TAGS: AFIN, AORG, IAEA
To: AEC GERMANY
IO
SECSTATE WASHDC
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005